

Report of the Portfolio Committee on Communications and Digital Technologies on the Revised Annual Performance Plans 2023/24 of the Department of Communications and Digital Technologies (DCDT), Sentech, State Information Technology Agency (SITA), USAASA/USAF, and Broadband Infracore (BBI) dated 28 March 2024:

The Portfolio Committee on Communications and Digital Technologies (the Committee), having considered the Revised Annual Performance Plan of the Department 2023/24 on 6 February 2024, hereafter referred to as “the Department”, and the amended Annual Performance Plans of USAASA/USAF, BBI, Sentech and SITA on 6 February 2024, reports as follows:

1. Introduction

The Department of Communications and Digital Technologies (DCDT) was established in April 2020, through the merger of the Department of Communications and the Department of Telecommunications and Postal Services.

The DCDT is still in the process of finalising the development of a revised organisational structure that will deliver on its mandate. As an interim measure, in the short-term, the DCDT is still functioning with a start-up organisational structure until the revised organisational structure, aligned to the mandate and strategy of the DCDT, is finalised, approved, and implemented.

Following the approval of the revised organisational structure, the DCDT will develop a new budget programme structure that will allow for the Department to optimally deliver on its mandate.

Furthermore, to align with the delivery of its mandate, the Department has developed a draft Operating Model which identifies key functional areas to facilitate the achievement of priority programmes.

The DCDT has developed a Service Delivery Model (SDM) which would form a basis upon which the reviewed organisational structure would be based. Subsequently, the DCDT held a pre-consultation workshop with DPSA regarding the organisational structure to establish if the SDM does meet their expectation and to seek advice on the principle that would further guide on the organisational structure.

The National Development Plan envisions that by 2030, the Information and Communication Technologies (ICTs) will underpin the development of a dynamic information society and knowledge economy that is more inclusive and prosperous. The ICT sector plays an important role in the economic growth and development of South Africa, and the 2023/24 Annual Performance Plan intends to reposition the Department and its Portfolio Entities to lead the South African economy into the digital age.

The APP also seeks to ensure that South Africa can adapt and compete under the current global economic conditions. South Africa needs an arsenal of skills to prepare itself against the aggressive global competition.

The APP further aims to accelerate efforts to enable access to telecommunications infrastructure. It prioritizes the implementation of the SA Connect Model to realize economic transformation.

The Department will continue with its efforts of implementing the revised SA Connect Model towards Internet access for communities and government facilities as part of meeting the technology goals of the National Development Plan of creating an inclusive information society, and to position government to play an enabling role in the provision of broadband to the number of underserved district municipalities thereby bridge broadband connectivity gaps.

The Department will focus on several programmes to realise their mandate to lead South Africa's digital transformation and achieve digital inclusion. Key to this will be creating an enabling policy and regulatory environment.

The Department will give greater focus to monitoring the implementation of the Postbank Strategy towards the State Bank as one of the key programmes that must be achieved.

Furthermore, during the 2023/24 financial year, government will conclude the Broadband Digital Migration (BDM) Project. The objective of reducing cost to communicate is critical and the department will put effort to ensure that the Cost-of-Communication Review Model is developed, and a Policy Directive is issued to ICASA for households to receive data, and to lower the mobile broadband cost. Lastly, it is important that the State-Owned Entities within the Portfolio are competitive and financially self-sustaining. The process of repurposing some of the State-Owned Entities to be in line with the fast-changing environment they operate in, will be prioritised within this financial year.

2. Background on Revision of 2023/24 Annual Performance Plan

The main reasons for revising the APP include:

- Aligning the APP with the Minister's Performance Agreement with President which was signed after the tabling of the APP.
- Cost containment measures which were issued by the National Treasury.
- Aligning to the recommendations by the DPME on issues of the disaster management.
- Addressing the issues raised by the AGSA on the high level review.

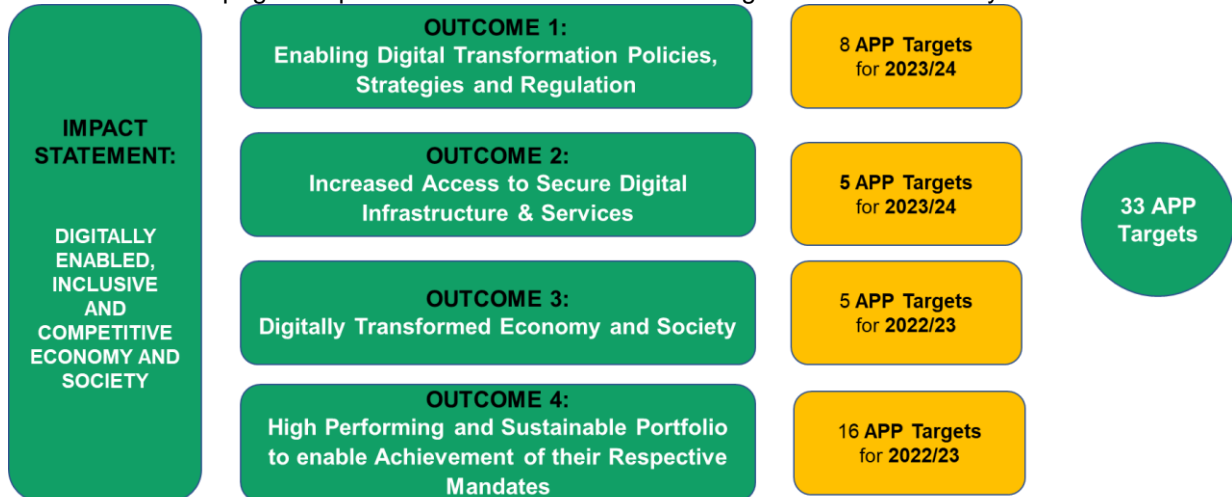
The DCDT had taken a realignment approach that dealt with three factors insofar as the APPs were concerned:

The first factor was the fiscal revision from National Treasury, which Cabinet had adopted. This helped to wisely determine targets both on the scale and the timing thereof.

The second factor was that the APP had to be realigned with the Minister's performance agreement.

The third factor was the disaster as it emanates from the Department of Planning, Monitoring and Evaluation (DPME).

The chart on next page is a pictorial view of the total 33 set targets for the financial year:



The limited allocation and inefficient usage of spectrum impede the growth and development of South Africa by hindering competition among service providers and limiting consumer access. In addition, the slow rollout of ICT infrastructure, expensive internet connections, and outdated regulations create challenges for businesses seeking to expand in the ICT sector. These issues not only threaten South Africa's ability to compete globally but also hinder efforts to alleviate poverty and empower unemployed youth to become innovators. Addressing these challenges is vital for enabling South Africa to realise its potential and achieve sustainable growth and development.

South Africa is faced with challenges such lowering the costs of communication; lack of digital skills, spectrum allocation and usage to efficient service providers in a way that opens up the market to consumers and encourages competition among providers; the rapid rollout of ICT infrastructure, affordable internet connections and regulation revision to make it easier for business to develop and grow markets in the ICT sector. These challenges are seen as threats to South African growth and development. They also impede in eradicating poverty and empowering the unemployed youth to be innovators and enable SA to compete in global markets.

ICT provide an enormous opportunity to introduce significance and lasting positive change to citizens. It offers innovation opportunities with market gaps that South Africans can exploit while learning and upskilling themselves. Mobile, cloud, social business and business analytics technologies are a just a few of the market gaps and are all interconnected. Making the most of these opportunities will lead to immense economic activity and increased production levels resulting in employment opportunities.

Then it will lead to a domino effect as more employment leads to less poverty, and less poverty will result in an increased Gini coefficient.

Failure to address these challenges will lead to stagnant economic growth, unemployment and lagging with the latest development in the ICT space. Furthermore, it will affect economic development and lead to lack of service delivery.

The Department, therefore, intend to address these challenges through enabling Digital Transformation Policies, Strategies and Regulation and will focus largely on creating a conducive policy environment through the development and review of policies, legislation and strategies. And Increased access to secure digital infrastructure and services by coordinating implementation of the revised SA Connect Model to ensure achievement of the target of 80% broadband access to citizens by 2024.

The Department will furthermore focus on digitally transforming economy and society through implementation of digital skills programmes to support the digital economy initiatives and monitor the automation of the e-Government services on the e-Portal, which is aimed at enabling our citizens to transact with government in real time, in the safety of their homes. With the change to a knowledge-based economy, it is crucial to upskill South Africans with ICT skills, not only because ICT is key to SA growth and development, but to ensure that South Africa plays a pivotal role in the future changes in global technology.

The 2019-2024 Medium-Term Strategic Framework (MTSF) and the effects of the COVID-19 pandemic spurred the ICT sector on its transformation agenda. The Annual Performance Plan of the Department focuses on performance indicators and targets that seek to address challenges in the ICT sector, thus strengthening the future of South Africa's digital economy.

Over the medium-term the Department has set targets to achieve including the focusing on enabling digital transformation policies, strategies and regulation; increased access to secure digital infrastructure and services; digitally transformed economy and society; as well as maintaining a high performing and sustainable portfolio to enable achievement of their respective mandates and policy objectives.

The DCDT 2023/24 Annual Performance Plan is aligned to the Medium-Term Strategic Framework (MTSF) of government, which outlines specific outcomes and priorities aimed at addressing the challenges of poverty, inequality and unemployment. In line with the mandate of the DCDT, the priorities for the medium-term are:

- (i) ensuring enabling Digital Transformation Policies, Strategies and Regulation;
- (ii) increased access to secure Digital Infrastructure and Services;
- (iii) digitally Transformed Economy and Society; and
- (iv) high Performing and sustainable portfolio that achieve their respective mandates and policy objectives.

3. Summary of revision of 2020/21 Annual Performance Plan Broadcasting Digital Migration (BDM) Programme

South Africa in response to the International Telecommunications Union (ITU) resolution that all countries in Region 1 of the ITU, i.e., Europe, Middle East (excluding the Islamic Republic of Iran) and Africa, must cease all analogue transmissions by 17 June 2015 started the process of migrating broadcasting signals from analogue to digital. The government has committed to provide subsidy to indigent television owning households as part of fast tracking the migration process. The migration is also contributing to the revitalization of electronic manufacturing industry. In addition, by means of Gazette, it will restrict the dumping of analogue television sets in South Africa.

In September 2021, Minister went to Cabinet and secured approval for a new delivery model. Minister then appointed a Project leader to oversee the implementation of the programme. Subsequently, a Steering Committee was established to ensure strategy development, plans and project governance that is led by the Minister. The department ramped up public awareness programme to ensure the message reaches South Africans through different platforms such as Radio, TV, Print and community outreach. These include but not limited to broadcasting of key messages on all the South African Broadcasting Corporation (SABC) public radio stations in their languages through at least five slots per radio station per day. Consideration was made to work with community radio stations where 96 community broadcasters were used to disseminate information and engage with beneficiaries at least three times a day. The department and entities also deployed teams of officials on the ground across all provinces doing community activations to educate people about digital migration, drive registrations and monitor the distribution and installations of decoders.

Significant progress has so far been realized and five (5) of the nine (9) provinces, namely, Free State, Northern Cape, North West, Limpopo and Mpumalanga have already been completely switched off and Sentech has completed frequency re-stacking. Following the President announcement during the 2023 State Of the Nation Address (SONA), the Department and entities are finalising the installations of outstanding registered households and complete the switch-off of analogue transmission in the remaining four (4) provinces of Eastern Cape, KwaZulu Natal, Western Cape and Gauteng. To achieve this objective quicker, the Sentech has enhanced capacity of installers across the country. This process is being supported by the provincial governments, district and local municipalities as well as COGTA to raise awareness campaigns about the progress and what is expected of communities. Post installation infrastructure of a Consumer Contact Centre placed at Sentech is in place to support beneficiaries about programme related challenges.

SA Connect

SA Connect is the implementation of the national broadband policy that was approved by Cabinet in 2013. SA Connect seeks to meet the technology goals of the National Development Plan of creating an inclusive information society and position the government to play an enabling role in the provision of broadband to the number of underserved district municipalities thereby bridge broadband connectivity gaps. This would be achieved by the pooling of public sector demand and procuring of high-capacity and future-proof network capacity at more affordable rates to address public sector broadband requirements. And in the process stimulating network builds by the network operators by reducing the associated investment risk, by ensuring demand. Due to the magnitude of the project, the programme initially aimed at connecting 6135 government facilities, which include all schools, health facilities, post offices, police stations and government offices, in the eight rural district municipalities, to broadband services. Phase one scope was subsequently reduced to 970 government facilities due to budget constraints.

Government has mandated the State Information Technology Agency (SITA) and Broadband Infraco (BBI) to provide the end-to-end broadband services to the 970 government facilities in the eight identified district municipalities, namely (1) Dr Kenneth Kaunda in North West, (2) Thabo Mofutsanyane in Free State, (3) OR Tambo in Eastern Cape, (4) Vhembe in Limpopo, (5) Gert Sibande in Mpumalanga, (6) Pixley ka Seme in Northern Cape, (7) uMgungundlovu and (8) uMzinyathi in KZN. The remaining 5165 facilities that were not provided with broadband service due to the limited budget allocation for the programme will be transferred to phase two of the programme.

SA Connect Progress Update

The Department requested funding of R2 964 114 544 from National Treasury and received a preliminary allocation letter for R2 964 114 544. The teams are finalising the implementation Plan and the deployment will commence in April 2023. The detailed designs have commenced and are scheduled to be completed in early May 2023.

BroadBand Infraco (BBI) received R219 million to connect 412 sites (300 in Eastern Cape and 112 in Northern Cape) before the end of the current financial year. The project is in progress with 101 sites installed to-date, i.e., 36 sites in Pixley ka Seme (NC) and 65 sites in OR Tambo (EC) district municipality. The remaining facilities (311) are projected to be completed by 22nd March 2023. The Department also received R200m from the National Treasury as part of the Presidential Employment Stimulus (PES) access fund. The project is underway, and the high-level milestones with timelines are as indicated below:

SITA connected 724 (out of a target of 1500 for the current financial year) Government facilities in the Eastern Cape. SITA is also working with the other provinces to solicit tasking from the Provincial Governments for the connectivity to government facilities.

High Demand Spectrum Licensing

As announced by the President in his State of the Nations Address (SONA 2023), the Department and the Regulator has successfully concluded the much-anticipated high-demand radio frequency spectrum auction by March 2022. Spectrum refers to the radio frequencies on which data and information are transmitted. The release of more spectrum means a better-quality service for consumers, with fewer dropped calls, faster internet download speeds and the promise of lower mobile data costs.

The release of spectrum is one of the key pillars of the state's economic structural reforms. For the mobile operators, spectrum allocation will help provide faster and more widespread high-speed data services. The freed-up spectrum reduces the cost of data and increase access to the internet. The auctioned high-demand spectrum assisted the government to raise funds for the fiscus. The revenue collected from the completion of the spectrum auction has unlocked new investment and contributed R14 billion to the fiscus.

DCDT and ICASA worked hard on the issue of the high demand spectrum, as it was a public interest demands that the licensing of high-demand spectrum should not be delayed any longer.

Internet Penetration/Connectivity

Internet access has been the critical source of technological "leapfrogging" in South Africa. The Department is continuously on the drive to connect citizens to the Internet. As a result, a programme to bring Internet access to all South Africans was very critical in order to bridge the country's digital

divide in order to enable access to online services but also provide opportunities for a digitally driven economy.

Key developments include the passing of the Cybercrimes Act and the expansion of the Film and Publications Board which signals the readiness and the robustness of infrastructure investment, and it is important that the citizens are enabled to use this to its full potential. The trends and development broad on by the COVID -19 pandemic have placed greater emphasis on what people can and need to do with an internet connection.

The DCDT going forward will focus on Refurbishment of Electronic Devices Project which is aimed at addressing the challenges access to internet. Furthermore, the Department is considering a program to fast-track part of responding to bridging this digital divide the connection of all South Africans or to ensure that all South Africans have access to an internet connection.

Focus on the Fourth Industrial Revolution

As a background, the purpose of the PC4IR Strategic Implementation Plan is to provide clear directives, and guidelines in line with South Africa's 4IR implementation strategy on how 4IR can be used to accelerate socio-economic development. The purpose is further outlined in detail as follows:

1) Guide South Africa in identifying potential investment areas and opportunities towards ensuring that the country adequately responds to the fourth industrial revolution; 2) Provide a model for alignment that all spheres of government can work with towards 4IR implementation; 3) To unify all government technological initiatives to drive digital transformation and position South Africa take advantage of the socio-economic opportunities presented by 4IR; 4) Assist all spheres of the public and private sectors to identify areas of collaboration and cooperation towards a 4IR-enabled South Africa; and 5) Establish South Africa's monitoring and evaluation framework to facilitate inclusivity that has an impact on society and to assist in the coordination of technological initiatives.

Besides the PC4IR, DCDT must lead initiatives in the country, region and internationally to position South Africa on 4IR technology development. The DCDT has also to lead initiatives in the country, region and internationally to position South Africa on 4IR technology development. Given this, DCDT has participated and contributed but not limited to initiatives such the AI Blueprint for Africa, SADC Big Data Framework and Africa 4IR Strategy. Furthermore, DCDT has launched AI Hub in partnership with University of Johannesburg, Tshwane University of Technology is expected to launch their AI Hub in the first quarter of 2023. National other academic institutions are expected to partner with the Department for the launch of other AI Hubs that will contribute to the work of South Africa's AI Institute which will strategically position South Africa to lead in the field of AI. The Department will also ensure coordinated initiatives to develop and support the application of various emerging technologies such as smart drones, IOT, Blockchain, Robotics, AR and VR in the South African digital economy.

The DCDT programmes of action for 4IR were developed in the PC4IR SIP, which was concluded and approved by Minister. The next step as expected in the MTSF 2019/24 the PC4IR SIP must be submitted for cabinet approval. The implementation and monitoring of the PC4IR extends to subsequent MTSF plan where monitoring happens. The PC4IR PMO developed an M&E framework to assist in the monitoring of the PC4IR implementation, this framework will be operationalised through the onboarding of 4IR initiatives across the country which will be monitored to identify their socio-economic impact.

The PC4IR SIP position the DCDT as a lead facilitator and coordinator of 4IR in the country, through the PC4IR all public and private institutions work together to digitally transform South Africa. Key to the DCDT's role an awareness strategy for 4IR was developed as an initiative to be rollout to build strong relationships with stakeholders. The success of this strategy has resulted in witnessing multiple programmes in the past financial year where, Provincial government and industry have been seen working and implementing initiatives that complement the recommendations of the PC4IR.

Cost of Data

The Department as part of the 2023/24 APP is conducting research with the primary focus to develop a cost-to-communicate review model. This research consequently needs to achieve the following:

- (i) To investigate the feasibility of developing innovative and agile regulatory, policy and or strategies, that could further impact on the contribution of lowering the cost to communicate.
- (ii) To investigate existing or potential monitoring, evaluating, and reporting tools on the cost to communicate.

- (iii) To investigate existing or potential monitoring, evaluating, and reporting tools on the cost to communicate.
- (iv) Investigate factors that will facilitate the rapid implementation of the cost to communicate programme.

Importantly, the study will compare South Africa’s telecommunication services inclusive of data prices with other countries in the continent and globally. Lastly, the study will also compare South Africa’s World Economic Forum Global Competitiveness ranking on ICT.

Implementation of the National E-Government Strategy

The DCDT and SITA are developing a digital government case study in 2023/24 through the Department of Rural Development and Land Reforms (DRDLR). The case study will demonstrate how to deliver ICT solutions at scale for the South African public service, including the enablement of a collaborative digital services platform shared between various government departments, thereby empowering Government to create and provision the right services, to the right users, while delivering with certainty and efficiency in a secure manner. This will be achieved through the following interventions:

- Develop and improve Government business processes;
- Automate office functions of Government using productivity suites;
- Scan governments paper-based files / documents into digital files;
- Digitalise Government business processes;
- Modernise legacy systems (Applications, Data Centres, and Network);
- Increase broadband connectivity footprint;
- Re-skill Government workforce; and
- Empower communities with digital literacy skills.

4. Adjusted Financial Information 2022/21 Financial Year

Programme 1 Allocation

The outputs of Programme 1 are aligned to Priority 6 of the NDP: A capable, ethical and developmental state and Outcome 2: Functional, efficient and integrated government. The initiatives are aimed at accelerating the implementation of Departmental projects to improve service delivery. The spending over the medium term will focus on providing strategic support to the Ministry and overall management to the Department:

PROGRAMME 1 ADMINISTRATION	Audited Outcome			Adjusted Appropriation 2022/23	Medium Term Expenditure		
	2019/20	2020/21	2021/22		2023/24	2024/25	2025/26
MINISTRY	5,902	4,215	4,444	4,695	5,574	5,884	6,146
DEPARTMENTAL MANAGEMENT	63,139	39,252	42,162	67,388	70,749	72,394	75,933
INTERNAL AUDIT	6,349	6,645	6,362	8,650	8,345	8,861	9,259
CORPORATE SERVICES	112,818	78,891	95,727	100,826	102,481	106,589	110,750
FINANCIAL MANAGEMENT	56,359	58,179	48,567	64,464	60,574	63,267	66,366
OFFICE ACCOMMODATION	28,479	28,719	31,109	33,367	33,689	35,306	37,001
TOTAL	273,046	215,901	228,371	279,390	281,412	292,301	305,455

Programme 2: ICT International Relations and Affairs

The DCDT will over the medium-term focus on developing Country Positions to support the National ICT priorities focusing 3 position papers on BRICS, UPU and WRC-23 as part of contributing to the Outcome of having in place Enabling Digital Transformation Policies and Strategies. This planned performance will contribute towards South Africa’s obligations to global, continental and regional multilateral institutions in order to be able to improve country’s ability to be influential, and to implement policies and agreements in order to deepen integration and cooperation, particularly in the region and on the continent. South Africa will also host the leaders of Brazil, Russia, India and China at the 15th BRICS Summit from 22 to 24 August 2023, as part of improving the global economic situation and reforming financial institutions, and how the four countries could better co-operate in the future.

Furthermore, the Department will contribute to coordinating the implementation of identified international programmes to support the digital economy initiatives towards achieving the outcome of Transformed Digital Society. The planned outputs contribute to the NDP implementation plan Outcome of an *Inclusive economy, enabled by advanced digital technologies*, which provides equally accessible, intelligent, and competitive products and services through government and industry while also aligning to *Priority 7: A better Africa and world*.

Over the MTEF travel constitutes the bulk of spending and increased from R 5.0 million in 2023/24 to R 5.5 million in 2025/26. The spending focus over the medium term will be transfer of membership fees to international organisations within the communications sector; participating in the global discourse within the United Nations system on telecommunications, postal services, information society and green technology and pursuing bilateral engagement with countries of the South and North. Over the MTEF the variance is mainly due to currency fluctuations.

PROGRAMME 2: ICT INTERNATIONAL RELATIONS AND AFFAIRS	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme Management for International Relations and Affairs	0	8216	2741	3,027	5,560	6,134	6,673
International Affairs	12,898	50,976	9,676	13,190	13,217	13,840	14,493
ICT Trade/Partnership	40,251	2,258	42,148	47,782	53,444	55,773	58,262
TOTAL	53,149	61,450	54,565	63,999	72,221	75,747	79,428

Programme 3: ICT Policy Development and Research

The DCDT will over the medium-term focus on implementing a targeted legislative programme aimed at achieving the Outcome of having in place Enabling Digital Transformation Policies, Strategies and Regulation which will form the foundation of the digital economy. Such policies and legislation will be targeted at stabilising and strengthening its State- Owned Entities.

Amongst others the SABC Bill will be submitted to Cabinet. Relevant policy, legislation and plans will also be focused on creating a conducive policy environment for the Digital Economy. The specific focus will also be given to implementing recommendations stemming from the study on cost to communicate towards reducing the cost of data and implementing Cost-of-Communication Review Model/ Plan. Programme 3 planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption. The spending focus over the medium term will be on ICT Legislation developing in line with the National Integrated ICT Policy White Paper. The budgeted amount for travel over the MTEF is R 17.4 million and for Consultants: Business and advisory services is R 11.8 million. The MTEF allocation is driven by inflationary adjustment.

PROGRAMME 3: ICT POLICY DEVELOPMENT AND RESEARCH	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme Management for ICT Policy Development and Research	-	612	713	2,557	2,767	2,895	3,032
ICT Policy Development	16,924	8,821	8,147	11,183	9,785	13,500	14,128
Economic and Market Analysis	3,138	3,165	2,198	6,110	5,992	6,276	6,576
Research	4,961	4,743	4,701	7,232	8,762	9,411	10,045
Broadcasting Policy	5,549	5,453	12,650	1,260	1,706	1,785	1,866
Small Medium and Micro Enterprise	1,703	1,498		8,644	7,726	7,969	7,542
Presidential Commission on 4IR	-	8,995	1,177	8,337	6,978	3,838	4,045
TOTAL	32,275	33,287	29,586	45,323	43,716	45,674	47,234

Relevant SoE's will be consulted during the development and/or review of policies, legislation, and strategies.

Programme 4: ICT Enterprise and Public Entity Oversight

The ICT Enterprise and Public Entity Oversight programme contribute to the Outcome: High Performing and financially sustainable portfolio to enable achievement of their respective mandates and policy objectives with specific focus on the State-Owned Entities within the portfolio. The programme over the medium-term period will focus on facilitating the Implementation of the ICASA Councillors Performance Management System.

The facilitation of the development of Shareholder compacts of Schedule 2 and 3B entities will be a focus. The Shareholder's Compact represents the agreement between the Executive Authority and the Accounting Authority. It reflects the expectations of each party, expressed in terms of outcomes and outputs that need to be achieved.

Due to the stated positions of government based on policy pronouncements relating to the rationalisation of the state-owned entities the programme will also monitor the post-acquisition integration of BBI into SENTECH. Therefore, the Department will be paying attention to entities that will be repurposed and/or merged to make them fit for purpose to deliver more value to SA citizens, these will include the implementation of SAPO Business Rescue Plan, monitoring of SITA repurposing and the implementation of the SABC Turnaround Strategy. Furthermore, the Department will implement the USAASA Disestablishment Plan.

This programme amongst others is also responsible for the consolidation of the performance monitoring and reporting for the Portfolio and more importantly to coordinate the implementation of recommendations from analysis of SOE Performance Reports. The Outputs of Programme 4 are aligned to Priority 6 of the NDP: A capable, ethical and developmental state and Outcome 2: Functional, efficient and integrated government.

The budgeted amount for travel over the MTEF is R 8.9 million and Consultants budget over MTEF amount to R 2.1million.

PROGRAMME 4: ICT ENTERPRISE AND PUBLIC ENTITY OVERSIGHT	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme Management for ICT Enterprise and Public Entity Oversight	2 022	3 084	3 162	4 402	4 091	4 218	4 401
Regulatory Institutions	552 018	645 754	562 222	880 904	580 515	606 607	636 000
Universal Services and Access	4 008 589	1 037 682	1 009 230	909 690	953 499	960 466	1 000 490
ICT Skills Development	95 347	97 448	98 468	102 121	103 104	107 734	112 560
SOE Governance and Support	5 427	2 780	5 778	7 381	5 225	5 539	5 759
TOTAL	4 663 403	1 786 748	1 678 860	1 904 498	1 646 434	1 684 564	1 759 210

Relevant SoE's will be consulted during the development of policies and legislation as well during oversight processes.

Programme 5: ICT Infrastructure Development & Support

The ICT Infrastructure Development and Support Programme contributes towards the Outcome: Increased Access to Secure Digital Infrastructure and Services through undertaking key infrastructure projects in the form of SA Connect Project responsible for Broadband roll-out. Programme 2 will coordinate the implementation of revised SA Connect Model towards internet access.

Monitoring the implementation of strategic national cybersecurity programmes and services through the awareness programmes and also improve the Quality of services of the Cybersecurity Hub over the medium term will also be a focus for the programme. Amongst others, the programme will also focus on the development of the country strategy for digital infrastructure to support universal access applications and services, and develop a final position for South Africa, in preparation for WRC-23 and Outcomes report.

The Department as part of the BDM will also continue with the coordinating distribution, installation of decoders and analogue switch off in four provinces. The planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption.

PROGRAMME 5: ICT INFRASTRUCTURE DEVELOPMENT AND SUPPORT	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme Management for ICT Infrastructure Development and Support	-	2,150	2,265	2,956	3,172	3,262	3,377
Broadband	274,814	226,929	227,987	440,402	1,345,876	2,160,412	272,735
ICT Support	6,092	5,739	7,558	11,825	10,531	10,903	11,429
Broadcasting Digital Migration	300,403	782,597	1,275,145	89,289	22,303	24,554	25,677
TOTAL	581,309	1,017,415	1,512,955	544,472	1,381,882	2,199,131	313,218

A total R3.668 billion is available over medium term in respect of the broadband policy project to support the Digital Development as per the South African Connect implementation plan. Funding for BDM project has stopped as the project will conclude on 31 March 2023.

The Department does not make transfers to SITA and BBI

Infrastructure Projects

No.	Project name	Programme	Project description	Outputs	Project start date	Project completion date	Total Estimated cost	Current year Expenditure
1	SA Connect (Broadband Connectivity)	5	Facilitating and monitoring the provision of broadband connectivity and services to identified sites	Revised SA Connect Model	2018/19 financial year	Continuous project	R203,9 million	R203,9 million
2	Broadcasting Digital Migration	5	Facilitating Household Migration and Analogue Switch off for the Broadcasting Digital Migration	Analogue Switch off	2015/16 financial year	31 March 2023	R2.2 billion	R59,4 million

Programme 6: ICT Information Society Development and Research

ICT Information Society Development and Research Programme will focus on the Outcome: Digitally transformed Economy and Society which concentrates on key building blocks for a digital society and the digital economy. Therefore, specific focus will be given to implementing e-Government Strategy and Roadmap, the Department will focus on monitoring the automation of the e-Government services on the e-Portal. Another key issue is addressing the skills gap through monitoring the implementation of Digital and Future Skills programme.

The programme will also focus on developing the National Artificial Intelligence (AI) Plan and facilitating the DigiTech Products and Services for SMMEs. Programme 6 will also contribute to the Outcome: Enabling Digital Transformation Policies, Strategies and Regulation. The planned outputs are aligned to the NDP Priority 1: Economic transformation and job creation and the Outcome of Improve competitiveness through ICT adoption as well as Priority 6 of the NDP: A capable, ethical, and developmental state and Outcome 2: Functional, efficient, and integrated government.

PROGRAMME 6: ICT INFORMATION SOCIETY AND CAPACITY DEVELOPMENT	Audited Outcome			Adjusted Appropriation	Medium Term Expenditure		
	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Programme Management: ICT Information Society and Capacity Development	-	1,465	2,572	2,925	2,859	2,997	3,124
Information Society Development	57,163	39,004	59,112	77,059	73,895	72,703	75,918
Capacity Development	3,437	9,355	3,443	10,111	9,766	10,487	10,953
TOTAL	60,600	49,824	65,127	90,095	86,520	86,187	89,995

Over the MTEF, goods and services will decrease from R39.4 million in 2023/24 to R38.6 million in 2025/26. The budgeted amount for travel over the MTEF is R 28.1 million and for Consultants: Business and advisory services is R 61.5 million.

Public Entities

Name of Public Entity	Mandate	Outcomes	Current Annual Budget
NEMISA	The National Electronic Media Institute of South Africa was established as a non-profit institute of education by the Department of Communications in terms of the Companies Act (1973). It is listed as a schedule 3A public entity in terms of the Public Finance Management Act (1999).	Digitally transformed Economy and Society	R102 Million

5. Entities reporting to the Department

5.1 Sentech Corporate Plan Revised Key Performance Indicators





The review of Sentech Annual performance plan was informed by the need to align the Corporate Plan with the changing policy and economic environment. Factors that influenced changes to the Corporate Plan included:




- Load shedding impact on the profit and loss statement.
- The policy announcement regarding the Analogue Switch-Off (ASO)
- External factors and process delays with acquisition of the orbital slot

These developments necessitate the revision of some of the KPIs subsequent to the submission of Sentech Corporate Plan 2023/24 and its approval by the Minister.

Sentech therefore requested changes to the following KPIs based on stated motivation. The KPIs were reduced from 14 to 11. The revised KPI's for financial year 2023/24 are specified in the pages.

Outcome Indicators	#	Annual Target	Proposed Action	Motivation
SA Satellite launch readiness plan	1	Filing for orbital slot for satellite launch submitted to the Radio Bureau, International Telecommunications Union (ITU)	KPI removed	The filing for the orbital is dependent on the ITU process, and approval of the Satellite Strategy by Cabinet. These two processes were behind schedule, and it is motivated that this KPI forms part of SENTECH's internal process and not KPIs for the FY24.
	2	A minimum of 4 Partnership Agreements concluded to support Satellite launch	KPI removed	
Broadcasting Digital Migration (BDM) and Analogue Switch Off (ASO) finalised in all provinces.	3	All analogue sites Switched Off in remaining provinces.	KPI amended to: Switch off all transmitters with frequencies above 694MHz and retune transmitter to clear spectrum for IMTs	The ASO approach was announced in June 2023 with a two stage approach. The 1 st stage switch off was set for 31 July 2023, and the second stage switch off is 31 December 2024.
Finalize SOC Rationalisation	4	BBI Acquisition concluded	KPI be removed and placed under strategic projects to be monitored	This KPI is dependent on funding availability and approvals. This KPI is largely beyond the SENTECH control.
Financial Outcome	5	EBITDA of R410m achieved	Amended to EBITDA of R376m	The impact of load-shedding and dual illumination costs has negatively impacted the profit and loss statement.

Annual Performance Plan					Quarterly Targets			
Strategic Pillars	Outcomes	Outcomes Indicators	#	FY2023/24 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
	Digital infrastructure and technologies in the right place at the right time / able to use	Number of customers onboarded on digital platform	1	Cloud platform implemented for 2 customers	Definition of Cloud offering completed	Go to market strategy developed for cloud platform	Cloud offering launched with one customer	2 customers onboarded onto the Cloud platform
		Number of broadband sites connected	2	800 broadband sites connected (cumulative)	Build phase initiated for broadband sites	Deployment of broadband sites started	400 Broadband sites connected	800 Broadband sites connected
		Number of analogue sites switched off	3	Analogue Switch Off concluded	Migrate all analogue sites (16 sites) to below 694 MHz	Migrate all remaining DTT sites (32 sites) to below 694MHz	No performance required	Switch off all transmitters with frequencies above 694MHz and retune transmitter to clear spectrum for IMTs
	Focused pipeline of innovative products and platforms that deliver strategic and operational value	Innovation initiatives implemented for revenue growth and operational efficiency	4	4 innovation initiatives	Budgets and plans completed for 4 innovation initiatives	Launch of SENTECH's Cloud Centre of Excellence and SENTECH Academy	Launch of total experience mobile and web interface for data-driven applications	Development and handover of 4 innovative initiatives
	Excellent customer experience	Customer satisfaction score (%)	5	80% Customer satisfaction score	CSS Monitoring Tool designed with interventions	5 Tier-1 customers Engaged	10 Tier-1 customers Engaged	Annual survey conducted and 80% Customer Satisfaction score achieved
		Weighted average network availability (%)	6	99.80% Weighted average network availability	99.80% Weighted average network availability	99.80% Weighted average network availability	99.80% Weighted average network availability	99.80% Weighted average network availability
	Reduced carbon footprint	Percentage of planned sites installed with green energy supply ¹	7	60% of planned sites installed with green energy supply (cumulative)	Planning and Specification development	Project plan developed and approved	25% of planned sites installed with green energy supply (cumulative)	60% of planned sites installed with green energy supply (cumulative)

Annual Performance Plan					Quarterly Targets			
Strategic Pillars	Outcomes	Outcomes Indicators	#	FY2023/24 Annual Targets	Quarter 1	Quarter 2	Quarter 3	Quarter 4
 FINANCIAL OUTCOME	Revenue growth	New Revenue Growth (%)	8	34.3% new revenue growth achieved [R491m]	1% new revenue growth	2% new revenue growth (cumulative)	10% new revenue growth (cumulative)	34.3% new revenue growth achieved [R491m] (cumulative)
	Maintain profitability	EBITDA	9	EBITDA of R378m achieved	EBITDA of (R49m)	EBITDA of (0) Rm (cumulative)	EBITDA of R116m (cumulative)	EBITDA of R309m achieved (cumulative)
 INCLUSIVE & ENABLED PEOPLE	Right people in the right place at the right time with the right skills and mindset	Percentage of digital training planned intervention implemented	10	100% of digital training planned intervention implemented	25% of digital training planned intervention implemented	50% of digital training planned intervention implemented	75% of digital training planned intervention implemented	100% of digital training planned intervention implemented
 GOOD GOVERNANCE	Effective corporate governance	Clean Audit Achieved	11	Clean Audit Achieved	No performance required	No performance required	Reduction of Management Letter Points by 50%	Clean Audit Achieved

5.2 Amended USAASA/USAF Annual Performance Plan 2023/24

The impact statement for USAASA is *progressive realisation of the goal of universal access and universal service in South Africa*. There are two outcomes for the Entity, namely (i) a well-governed and high-performance organisation and Fund, delivering on its mandate; and (ii) A respected thought leader on universal access and universal service and both have four and one APP targets respectively.

In the face of an extremely challenging global and domestic economic environment, the plan to streamline the Information and Communications Technologies (ICTs) State-Owned Entities (SOEs), outlined in the National Integrated ICT Policy White Paper of 2016, is gaining momentum. The White Paper sets the policy framework for transforming South Africa into an inclusive, innovative digital and knowledge society. The focus is on building a digital economy to fulfil the commitments of the National Development Plan and achieve the 2030 Vision, particularly in light of the Fourth Industrial Revolution. The rationalization of ICT SOEs is necessary for achieving the efficiencies needed to establish an innovative digital and knowledge society.

Delivery under the White Paper requires significant shifts to policy to create a more transparent and equitable ICT environment. The way is paved for a legislative programme that will amend laws where necessary, set up new structures or institutions, guide government interventions, improve access to modern communications and postal infrastructure, and improve the ability of all citizens to meaningfully participate in the digital economy.

It will allow government to roll out quality communications and broadband infrastructure to all areas, ensuring universal services and access. The goal is to ensure that everyone – regardless of who they are, where they live, or their social or economic standing – can benefit from the opportunities offered by ICT.

The White Paper Policy recommended that:

- (i) the Universal Service and Access Agency of South Africa (USAASA) is to be dissolved; and
- (ii) the Universal Service and Access Agency (USAF) be transformed to create the Digital Development Fund (DDF), a distinct fund that will provide support for both infrastructure and targeted demand stimulation projects and programmes.

USAASA's vision aligns to the outcome of the revised 2019-2024 Medium-Term Strategic Framework (MTSF), to "*improve competitiveness through ICT adoption*." In this light, and until the formal promulgation of these decisions, each Entity is still required to produce and report against its own strategic and annual performance plan. In line with the decision to dissolve USAASA and transfer the USAF, the focus of the 2023/24 Annual Performance Plan shifts to enabling the implementation of this decision. However, the outcomes are retained to allow for assessment and evaluation of USAASA performance against these outcomes from 2020 to date. This Annual Performance Plan for 2023/24 presents the focus of USAASA on:

- (i) Preparedness for the implementation of the dissolution of the Agency.
- (ii) Strengthening the governance and control environment to improve the audit outcome.
- (iii) Implementing activities in response to the Gender-based Violence and Femicide National Strategic Plan.
- (iv) Implementing activities in support of public/stakeholder participatory strategies; and
- (v) Assessing progress towards the MTSF targets for access to broadband service in the country.

USAASA's budget and resources have declined pending the dissolution of the Agency and for the period of this Annual Performance Plan, the USAF and its administrator USAASA will continue with the deployment of electronic communication infrastructure until such time that the respective transfer and dissolution is formally promulgated.

The Entity will continue to broaden universal access to 'digital broadcasting services'. The USAF will focus on ensuring subsidies are issued to qualifying households as part of the assigned responsibility to enable qualifying indigent households to receive set-top-boxes free, thereby broadening access to digital broadcasting services.

The table on next page illustrates the revised targets of USAASA for Outcome 1. In fulfilling its purpose, the Business Support Programme will continue to provide business management and support to the Universal Service and Access Fund (USAF), with a focus on:

- (i) Consistently improving the enterprise risk maturity in terms of not only managing the enterprise-wide risks, but also finding ways to take advantage of opportunities to advance the business objectives of USAASA and the USAF.
- (ii) Ensuring that the organisation is implementing and enhancing its record keeping and ICT systems, to ensure they are integrated and responsive to business needs.
- (iii) Enforcing financial management and internal control measures designed to achieve a positive audit outcome in terms of financial performance and compliance with legislation.
- (iv) Ensuring that the organisation strengthens and improves its procurement and demand planning, to support strengthened budget management and financial management and planning; and
- (v) Ensuring effective human capital management and development, especially considering the uncertainties arising from the disestablishment of USAASA.

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS					
		Quarter 1	Quarter 2	Quarter 3	Quarter 3	Quarter 4	Quarter 4
		Actual Targets Apr-Jun 2023	Actual Targets Jul - Sep 2023	Actual Targets Oct-Dec 2023	Revised Targets Oct-Dec 2023	Actual Targets Jan-Mar 2024	Revised Targets Jan-Mar 2024
Implemented deliverables that are within the Agency's control in the approved 2023/24 roadmap for USAASA disestablishment	Implemented deliverables that are within the Agency's control in the approved 2023/24 Roadmap for USAASA disestablishment	Implementation of the Quarter 1 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the Quarter 2 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the Quarter 3 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the deliverables that are within the Agency's control in the approved 2023/24 Roadmap for USAASA disestablishment	Implementation of the Quarter 4 deliverables of the FY2023/24 roadmap for USAASA disestablishment	Implementation of the deliverables that are within the Agency's control in the approved 2023/24 Roadmap for USAASA disestablishment
Percentage implementation of activities in the USAASA response plan for National Strategy Plan on Gender-based Violence and Femicide	80% implementation of activities in the approved 2023/24 roadmap in response to National Strategy Plan on Gender-based Violence and Femicide	Development and approval of FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide	Implementation of the Quarter 2 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide	Implementation of the Quarter 3 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide	90% implementation of Q3 activities in the approved 2023/24 roadmap in response to National Strategy Plan on Gender-based Violence and Femicide	Implementation of the Quarter 4 deliverables of the FY2023/24 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide Development of draft FY2024/25 roadmap for response to National Strategy Plan on Gender-based Violence and Femicide.	90% implementation of Q4 activities in the approved 2023/24 roadmap in response to National Strategy Plan on Gender-based Violence and Femicide
Percentage implementation of activities in the USAASA public/stakeholder participatory strategies and plan	100% implementation of activities in the approved 2023/24 USAASA public/stakeholder participatory strategies response plan	Approval of FY2023/24 USAASA public/stakeholder participatory strategies response plan	Implementation of the Quarter 2 deliverables of the FY2023/24 USAASA public/stakeholder participatory strategies response plan	Implementation of the Quarter 3 deliverables of the FY2023/24 USAASA public/stakeholder participatory strategies response plan	Implementation of the Q3 activities in the approved 2023/24 USAASA public/stakeholder participatory strategies response plan	Implementation of the Quarter 4 deliverables of the FY2023/24 USAASA public/stakeholder participatory strategies response plan	Implementation of the Q4 activities in the approved 2023/24 USAASA public/stakeholder participatory strategies response plan

For Programme 2, in fulfilling its purpose, the Business Intelligence Programme will continue to provide research and business intelligence, with a focus on:

- (i) Monitoring the performance of the service providers appointed to implement universal service and access projects and programmes.
- (ii) In light of the dissolution of USAASA, ensuring a sound assessment and record of USAASA's and USAF's prior performance and progress against its strategy; and
- (iii) Determining the extent to which the targets for broadband infrastructure and access have been attained.

For USAF, until the formal promulgation of legislative decisions, the Annual Performance Plan for 2023/24 presents the focus of USAF on:

- (i) Verifying and then subsidising broadband installations for qualifying households.
- (ii) Strengthening the monitoring and evaluation of broadband installations.
- (iii) Verifying and then funding connected sites in identified municipalities; and
- (iv) Strengthening the monitoring and evaluation of connected sites in identified municipalities.

USAF finds itself in a challenging situation pending the implementation of the decision to disestablish the USAASA and its managing agency, and to transfer the USAF to the Postbank (SOC) Ltd. However, since these changes have not been formally Gazetted, they cannot be planned for. Despite this, there is an expectation for improved performance by the USAF towards the realisation of the MTSF targets for improved broadband access in South Africa.

Furthermore, a Constitutional Court decision was taken which deferred the date for broadband Digital Migration (BDM) indefinitely due to the poor installation run rate. As a result, subsidies will continue to be given to users while proper planning is applied to accommodate the roll-out.

However, despite this reality, during the 2nd quarter of 2022/23, USAF achieved 3 out of 4 of its set targets – a 75 percent performance level. This is an improvement of 61 percent over Q2 2021/22, where performance against set targets was at 14 percent.

Unfortunately, USAF remains with a disclaimed, with findings, external audit outcome, as has been the case since 2020/21. This is largely attributed to material non-compliance with legislation arising from:

- (i) The Audit Action Plan implemented by management was not effective, as significant deficiencies in internal control identified in prior years remained.
- (ii) Inadequate internal control processes to properly account for inventory on hand at the end of the current and prior financial years as held by third parties.
- (iii) The lack of appropriate internal control processes to properly account for all installation of set-top boxes at qualifying households.
- (iv) A lack of proper recordkeeping to ensure that complete, relevant, and accurate information for inventory, payables from non-exchange transactions, and administrative expenses was available to support the financial statements

Attention must therefore be placed on establishing systems and controls to ensure that all issues are dealt with before they result in material findings in future. USAF revised targets are illustrated in the following two tables:

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS					
		Quarter 1	Quarter 2	Quarter 3	Quarter 3	Quarter 4	Quarter 4
		Actual targets Apr-Jun 2023	Actual targets Jul - Sep 2023	Actual targets Oct-Dec 2023	Revised Targets Oct-Dec 2023	Actual Targets Jan - Mar 2024	Revised Targets Jan - Mar 2024
Percentage verification of valid BDM installations for registered and qualified households	Verification of 85% of valid BDM installations for registered qualifying households.	100% funding of subsidised and verified BDM installations for qualifying households for the previous quarter	100% funding of subsidised and verified BDM installations for qualifying households for the previous quarter	100% Funding of subsidised and verified BDM installations for qualifying households of the previous quarter.	85% verification of valid BDM installations at qualifying households	100% Funding of subsidised and verified BDM installations for qualifying households of the previous quarter.	85% verification of valid BDM installations at qualifying households
Percentage of valid installations monitored.	15% of valid installations monitored.	2% of the migrated qualifying households monitored and evaluated for BDM installations	2% (additional) of the migrated qualifying households monitored and evaluated for BDM installations	3% (additional) of the migrated qualifying households evaluated and monitored for BDM installation.	7.5% of valid installations monitored	3% (additional) of the migrated qualifying households and monitored for BDM installation.	7.5% (additional) of valid installations monitored

OUTPUT INDICATORS	2023/24 ANNUAL TARGET	QUARTERLY TARGETS					
		Quarter 1	Quarter 2	Q3	Q3	Q4	Q4
		Actual targets Apr-Jun 2023	Actual targets Jul - Sep 2023	Actual targets Oct-Dec 2023	Revised Targets Oct-Dec 2023	Actual Targets Jan - Mar 2024	Revised Targets Jan - Mar 2024
Percentage verification of installed and connected sites.	85% verification of installed and connected sites.	100% funding of verified and funded connected sites in identified local municipalities	100% funding of verified and funded connected sites in identified local municipalities	100% Funding of funded connected sites in identified local municipalities	40% verification of completed and connected sites	100% Funding of funded connected sites in identified local municipalities	45% (additional) verification of completed and connected sites
Percentage monitoring of connected sites in the identified municipalities.	70% monitoring of connected sites in the identified municipalities.	New indicator	New indicator	30% (additional) of verified and funded connected sites in identified local municipalities monitored and evaluated	70% monitoring of connected sites in the identified municipalities.	35% (additional) of verified and funded connected sites in identified local municipalities and evaluated	70% monitoring of connected sites in the identified municipalities
Percentage of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	100% of valid invoices paid within 30 days.	Not Applicable	100% of valid invoices paid within 30 days.	Not Applicable

The projected USAASA balance sheet for 2023/24 is illustrated in table below:

Financial position	Revised Estimate	Medium-term estimate		
	2022/2023	2023/2024	2024/2025	2025/2026
Carrying value of assets				
<i>of which:</i>				
Acquisition of assets	1 289	2 534*	1 334	401
Receivables and prepayments	3 390	2 110	-@	-
Cash and cash equivalents	191 389	125 039	125 871	126 289
Total assets	196 068	129 683	127 205	126 690
Accumulated surplus/(deficit)	186 015	121 834	121 041	124 067
Trade and other payables	7 998	5 999	4 499	1 125
Provisions	2 055	1 850	1 665	1 498
Total equity and liabilities	196 068	129 683	127 205	126 690
Contingent liabilities	12 000	8 000	3 000	1 000

* New assets will be procured in 2023/24 when USAASA is merged into DCDT to standardise assets.

@ Receivables include accrued income from interest accruing from short-term investments. It is anticipated that the interest will still be earned until USAASA's budget is combined with the DCDT budget in 2024/25; from there USAASA bank account will be closed, thus no more short-term investments.

The projected income statements of USAASA and USAF for 2023/24 are illustrated below respectively:

Statement of financial performance	Revised Estimate	Medium-term estimate			
	2021/22	2022/23	2023/24	2024/25	2025/26
R thousand					
<i>Other non-tax revenue</i>					
Interest, dividends and rent on land		14 230	15 706	@	-
Transfers received	177 055	86 033	222 705	160 358	95 354
Tax benefit					
Outside shareholders Interest					
Total revenue	177 055	86 033	236 935	176 064	112 690
Expenses					
Current expenses	177 055	86 033	90 626	94 474	95 354
Compensation of employees	62 269	62 696	65 517	68 432	68 432
Goods and services	114 786	23 337	24 487	25 576	26 722
Depreciation			622	466	200
Interest, dividends and rent on land				-	-
Transfers and subsidies			132 701	66 350	
Warehousing and distribution costs to SAPO for DTT/BDEM STBs			132 701	66 350	
Tax payment	-	-	-	-	-
Outside shareholders Interest					
Total expenses	177 055	86 033	222 705	160 358	95 354
Surplus/(Deficit)	-	14 230	15 706	-	-

Statement of financial performance	Revised Estimate	Medium-term estimate		
	2022/23	2023/24	2024/25	2025/26
R thousand				
Revenue				
Tax revenue				
Non-tax revenue				
<i>Other non-tax revenue</i>				
Interest, dividends and rent on land	130 334	97 751		
Transfers received	2 593 122	142 021	148 394	155 267
Tax benefit				
Outside shareholders Interest				
Total revenue	2 593 122	272 355	148 394	155 267
Expenses				
Current expenses	2 593 122	142 021	148 394	155 267
Compensation of employees				
Goods and services	14 005	14 624	15 275	15 959
Transfers and subsidies	2 579 117	127 397	133 119	139 308
Total expenses	2 593 122	142 021	148 394	155 267
Surplus/(Deficit)	130 334	97 751	-	-

5.3 Broadband Infraco

In recent years BBI has been significantly constrained by the inability to access network investment that impacted the network performance and service availability, significantly impacting on revenue generation and cash flow. The Company cash flow constraints inhibits its ability to meet financial obligations to the major fibre and servitude suppliers (Eskom and Transnet), including the transmission equipment supplier. Since the 2021-22 financial year several customers have been lost due to the cancellation of the contracts and non-renewal of expired contracts by Eskom. The matter was exacerbated by refusal to repair fibre breaks and ultimately disconnect fibre links, that have had catastrophic impact on the ability of BBI to provide customer solutions, network availability, that increased rebates payments to customers such as SITA, and sales plummeted.

Three financial sustainability targets are impacted by the Eskom disconnection:

- New Sales contracts signed target has been revised from R100 million to R50 million.
- 15% year on year revenue growth was revised to 8%.
- R23 million operating loss decline was revised to R12 million operating profit decline.

Two SA-Connect targets were revised:

- 50 000 households to be connected was revised to 10 000, Wi-Fi Hotspots was revised to 300 including Broadband Access Fund; and
- SA-Connect Phase 2. The SA Connect KPI was originally established with specific targets, aligned with the project's scheduled delivery period spanning two years, starting from FY2023/2024. The DCDT has requested the Company to develop a commercialization model that will ensure the sustainability of the SA-Connect and continuously generate revenue and use the Telkom infrastructure during the first quarter of the financial year. Also, BBI is requested to sign an SLA with Sentech to ensure speed of delivery of the project.

Additionally, the project fund disbursement was initially planned to commence in April 2023. However, there have been changes in the project's delivery timeline, now extended to cover a three-year period starting in financial year 2023/2024, and the project funding disbursement is now expected to commence in September 2023. Therefore, the target has been revised from 9000 hotspots connected to 3000.

Tabulated below is the Annual Performance Plan for financial year 2023/24

OUTCOME	OUTPUTS	KPI	2022/23 BASELINE	2023/24 TARGET	Q1 TARGETS	Q2 TARGETS	Q3 TARGETS	Q4 TARGETS	
1. A strengthened financial position for growth and sustainability	New Sales Contracts	New sales contracts signed annually	R8 million	R50 million new sales contracts signed	Marketing and sales contracts negotiations	R5 million new sales contracts signed	R25 million new sales contracts signed	R20 million sales contracts signed	
	Approved SA Connect commercialisation	Developed SA Connect commercialisation model	New	Developed SA Connect commercialisation model			Develop SA Connect commercialisation model and submit to Shareholders	Submit implementation plan	
	Increase revenue	Percentage Revenue year-on-year growth (including SA Connect)	7% revenue year-on-year increase	8% revenue year-on-year growth	2% revenue year-on-year decline	3% revenue year-on-year growth	2% revenue year-on-year growth	5% revenue year-on-year growth	
	Increased investment and funding	Number of days per outstanding customer invoice per month		78 Debtors days	Debtors collection of 60-days per contract	Debtors collection of 60-days per contract	Debtors collection of 60-days per contract	Debtors collection of 60-days per contract	Debtors collection of 60-days per contract
		Maintain Positive Cash Balance monthly		R10 million cash and cash equivalent available	R10 million cash and cash equivalent available	R10 million cash and cash equivalent available	R10 million cash and cash equivalent available	R10 million cash and cash equivalent available	R10 million cash and cash equivalent available
	Improved Operating Profit before Depreciation after Interest	Maintain operating profit before depreciation after interest		Decline by R28 million	Decline by R12 million	Decline by R23 million	Improve by R7 million	Improve by R10 million	Improve by R18 million
SMMEs supported	Number of days within which SMMEs invoices are paid		SMME invoice paid within 25 - days	SMME invoice paid within 30 - days	SMME invoice paid within 30 - days	SMME invoice paid within 30 - days	SMME invoice paid within 30 - days	SMME invoice paid within 30 - days	

OUTCOME	OUTPUTS	KPI	2022/23 BASELINE	2023/24 TARGET	Q1 TARGETS	Q2 TARGETS	Q3 TARGETS	Q4 TARGETS
2. An organisation enabled to deliver upon the mandate	Aligned HR Capacity building and optimisation	Percentage of payroll spend on training per annum	2% of the salary bill spend on training by end of year	1% of the salary bill spend on training	Compile Workplace Skills Plan and Annual training report	Training spent at 0.2% of payroll	Training spent at 0.5% of payroll	Training spent at 0.3% of payroll
	Job creation	Number of interns requiring experience recruited.	27 trainees	Five interns allocated to various environments	Identification of departments and recruitment	2 interns allocated to various environments	3 interns allocated to various environments	Interns trained and developed
	Improved Corporate Governance	Unqualified external audit report maintained	Unqualified external audit report	Maintain unqualified external audit report	Resolve external audit findings	Resolve external audit findings	Resolve external audit findings	Resolve external audit findings
3. An increased base achieved through customer fulfilment and state-of-the-art infrastructure and services	Expanded network ensuring robustness and resilience.	Improve Actual Time to Restore Core Network Faults	6.2 hrs to Restore Core Network Faults	7.5hrs to Restore Core Network Faults	7.5hrs to Restore Core Network Faults	7.5hrs to Restore Core Network Faults	7.5hrs to Restore Core Network Faults	7.5hrs to Restore Core Network Faults
		Percentage of gross revenue paid as network performance rebates	0.76% of gross revenue	≤1.0% of gross revenue	≤1.0. % of quarterly gross revenue	≤1.0% of quarterly gross revenue	≤1.0% of quarterly gross revenue	≤1.0% of quarterly gross revenue

OUTCOME	OUTPUTS	KPI	2022/23 BASELINE	2023/24 TARGET	Q1 TARGETS	Q2 TARGETS	Q3 TARGETS	Q4 TARGETS
4 The preferred partner of Government in enabling the digital transformation	Increased SA Connect Sites delivered and maintained	Number of SA Connect Sites connected to Broadband Infraco network maintained	713 SA Connect Sites connected to Broadband Infraco Network	Maintain 713 SA Connect Sites connected to Broadband Infraco Network	Maintain 713 SA Connect Sites connected to Broadband Infraco Network	Maintain 713 SA Connect Sites connected to Broadband Infraco Network	Maintain 713 SA Connect Sites connected to Broadband Infraco Network	Maintain 713 SA Connect Sites connected to Broadband Infraco Network
		Number of hotspots connected to broadband networks	New	3 000 hotspots connected to broadband networks	Design internal governance and approvals	Run procurement processes	Appoint service providers and issue purchase orders	3 000 hotspots connected to broadband networks
		Number of USAASA Sites connected to broadband network	83 USAASA sites connected	Connect services to 329 USAASA sites	Connect services to 150 USAASA sites	Connect services to 179 USAASA sites	Maintain 412 USAASA Sites	Maintain 412 USAASA Sites
		Number of hotspots connected to broadband networks	8000 households and 200 WiFi hotspots connected	Subsidy to Connect 10000 households and 300 Wi-Fi hotspots	Call for Applications, Screening, and award	Connect 5000 household and 100 Wi-Fi	Second window of screening and connect 100 Wi-Fi hotspots	Connect 3000 households and 100 Wi-Fi hotspots

OUTCOME	OUTPUTS	KPI	2022/23 BASELINE	2023/24 TARGET	Q1 TARGETS	Q2 TARGETS	Q3 TARGETS	Q4 TARGETS
5. Facilitated Socio-Economic Transformation	SMMEs supported	Number of SMMEs allocated installation work	11 SMMEs allocated installation work	Ten SMMEs allocated installation work	Identify the SMMEs	Allocate work to six SMMEs	Allocate work to three SMMEs	Allocate work to three SMMEs
	Increased targeted procurement	Percentage of total procurement budget spend on black, women, youth, and people with disabilities owned entities	New	15% of total procurement budget spend on black, women, youth, and people with disabilities owned entities	15% of total procurement budget spend on black, women, youth, and people with disabilities owned entities	15% of total procurement budget spend on black, women, youth, and people with disabilities owned entities	15% of total procurement budget spend on black, women, youth, and people with disabilities owned entities	15% of total procurement budget spend on black, women, youth, and people with disabilities owned entities
	Improved B-BBEE Level	Improved B-BBEE Level	Verification audit in progress	Improve B-BBEE Level to Level 4	verification audit report submitted	B-BBEE Level 4 confirmed		
	Connected schools	Number of schools provided with broadband connectivity	Two schools provided with broadband connectivity	Maintain the schools provided with connectivity	Assessment of the status of the equipment	Run approval processes	Source for partnerships	Train teachers and learners

5.4 State Information Technology Agency (SITA)

SITA has committed itself to contribute to 1, 2, 3, 4 and 6 government priorities through a revised implementation approach that is intended to improve citizens' experience of government

service delivery through digital channels and enhance the efficiency of government operations through the provisioning of secure and cost-effective ICT solutions, products and services. SITA will further review, develop and implement all of its institutional policies during the financial year ahead 2023/24.

SITA's Strategic Plan (SP) 2020–2025 details the strategic direction of the organisation during the medium term. As part of the mid-term review process, the SP has been reviewed to ensure that SITA supports government and shareholder priorities that are focused on evolving government's service delivery. The SITASP review exercise concluded that the strategic direction of the organisation is still relevant and valid and that the vision, mission, values and impact statement remain as originally defined in the approved SP.

SITA has, however, made changes to the outcomes, outcome indicators and targets for the final year, 2025, due to the fact that SITA's SP only reflected the 2023 mid-term outcomes instead of 2025 outcomes. This was a result of the envisaged SITA repurposing plans to significantly alter the trajectory and direction of the agency. The strategic direction of the Agency remains intact, and therefore the minimally revised outcomes, outcome indicators and targets are provided as an annexure to this APP.

In addition, SITA has developed comprehensive functional strategies and high-level plans that are aimed at enabling government's digital and ICT agenda to make government services simple, smart and citizen-centric, namely:

- a. Revised data Centre modernisation and consolidation strategy and framework;
- b. SITA cloud strategy and framework;
- c. Data analytics strategy and roadmap;
- d. Information security strategy; and
- e. Business growth strategy.

These strategies and plans, which are destined to be delivered over the remaining years of the medium-term expenditure cycle, were developed in consultation with key external stakeholders such as Government Information Technology Officers Council (GITOC), the SITA Board and the DCDT. The strategies and plans find effect in this APP for financial year 2023/24 through clearly defined targets, outputs and outcomes and will be further coordinated through SITA's Annual Operational Plan (AOP). The AOP will operationalise the APP, ensuring that SITA makes incremental progress according to its strategic focus areas to achieve the planned outcomes.

The focus of the financial year 2023/24 APP was developed against the backdrop of a volatile external environment.

Amendments to the original APP are tabulated herewith below:

APP Doc Page no.	Output indicator	Current Annual and Quarterly Targets	Additional Annual and Quarterly Targets	Addition Rationale
Page #	Additional Ministerial Targets			
35,36	SITA model reviewed and recommendations roadmap developed.	No targets	Added Annual Target: Review SITA Model and develop recommendations roadmap Q1: N/A Q2: N/A Q3: Conduct the review of the SITA Model Q4: Develop recommendations roadmap	New target added from the Minister's performance agreement.
35,36	Percentage implementation of Service Improvement Plan	No targets	Added Annual Target: 90% implementation of Service Improvement Plan Q1: N/A Q2: 30% implementation of Service Improvement Plan Q3: 80% implementation of Service Improvement Plan Q4: 90% implementation of Service Improvement Plan	New target added from the Minister's performance agreement.
47,48	Percentage implementation of SCM dispensation pilot for one selected security services department	No targets	Added Annual Target: 100% implementation of SCM dispensation pilot for one selected security services department Q1: N/A Q2: SCM dispensation requirements gathering completed for one selected security services department Q3: 50% implementation of SCM dispensation pilot for one selected security services department Q4: 100% implementation of SCM dispensation pilot for one selected security services department	New target added from the Minister's performance agreement.

APP Doc Page no.	Output indicator	Outputs	Previous Annual and Quarterly Targets	Amended Annual and Quarterly Targets	Amendment Rationale
Page #	Notification of a change to the Unqualified audit opinion targets, outputs, output indicators and TID for both the AFS and performance information				
43, 44, 45	<p>Previous Output Indicator: Audit report issued on predetermined objectives</p> <p>Revised Output Indicator: Audit opinion obtained</p>	<p>Previous Output Achieved unqualified audit opinion on predetermined objectives</p> <p>Revised Output Audit outcome</p>	<p>Annual target: Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year</p> <p>Quarterly Targets: Q1: N/A Q2: Achieve an unqualified audit opinion on predetermined objectives for the 2022-23 financial year Q3: N/A Q4: N/A</p>	<p>Amended Annual Target Unqualified audit opinion with no material audit findings on non-financial performance information</p> <p>Amended Quarterly Targets Q1- N/A Q2- N/A Q3- N/A Q4- Unqualified audit opinion with no material audit findings on non-financial performance information</p>	To apply a rectification of the output indicators, outputs, Annual targets, quarterly targets and TIDs to remove the previously stated FY2022/23 and ensure the audit relates to the FY2023/24 financial year for both the AFS and performance information audit opinion.
	<p>Previous Output Indicator: Audit report issued on Annual Financial Statements (AFS)</p> <p>Revised Output Indicator: Audit Opinion Obtained</p>	<p>Revised Output: Achieved unqualified audit opinion on Annual Financial Statements (AFS)</p> <p>Revised Output Audit outcome</p>	<p>Annual target: Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year</p> <p>Quarterly Targets: Q1: N/A Q2: Achieve an unqualified audit opinion on Annual Financial Statements (AFS) for the 2022-23 financial year Q3: N/A Q4: N/A</p>	<p>Amended Annual Target Unqualified audit opinion with 10% fewer findings than 2022/23 on financial performance information</p> <p>Amended Quarterly Targets Q1- N/A Q2- N/A Q3- N/A Q4- Unqualified audit opinion with 10% fewer findings than 2022/23 on financial performance information</p>	

6. Observations made by the Committee

Having considered the 2023/24 Revised Annual Performance Plan of the Department, BI, Sentech, SITA, USAASA/ USAF, the Committee noted:

The Department

- i). with appreciation to the DCDT and its Entities for all presentations made on the day;
- ii). the Wi-Fi hotspots to be implemented to change the lives of the people on the ground;
- iii). that the presentations were a revision of the APPs of the Department and some Entities with the aim to focus on the affected programmes;
- iv). with concern that the time allocated for presentations on these reports was too short to fully engage in detail;
- v). with further concern that in general, Entities were not meeting their targets, in particular, the Committee noted USAASA;
- vi). with concern that there were no timelines attached to meeting targets by Entities;
- vii). that some Entities were collapsing, with no clear consequence management
- viii). welcome the load shedding inquiry by ICASA;
- ix). welcome engagements with the Minister of Electricity; Minister of Public Enterprise and relevant forums to find solutions to the load shedding challenge;
- x). that a renewable strategy in being implemented to circumvent load shedding;
- xi). and respects the decision of the SABC to approach the Competition Tribunal;
- xii). further that it will take some time for the Tribunal to reach an outcome that might favour the SABC;
- xiii). However, applauds the continued support of Department to resolve the dispute between SABC and Sentech;
- xiv). that it was imperative that the SABC and Sentech dispute should be resolved expediently
- xv). the commitment by the SABC to settle debt owed to Sentech;
- xvi). and further welcome the intervention by Department to rescue the SABC;
- xvii). that the SABC was conducting a short-term intervention strategy to ensure that all internal efforts are made to improve the sustainability of the Entity;
- xviii). however, that the SABC require more support from the Department;
- xix). with further concern that audience decline has direct impact to SABC revenue;
- xx). that there is alignment between the performance contracts of the Minister and that of management in delivering the APP;
- xxi). that the Department is working with other departments and local government authorities to address the impact of recent rains and consequent sewage management to the work of the Department;
- xxii). that it is imperative that South Africa has its own satellite and that there were ongoing engagements with various sectors including international bodies;

- xxiii). and welcomed the focus on GBVF and how the DCDT and its Entities were integrating plans to ensure that every pocket of society was working to end the scourge; and
- xxiv). that the regression in respect in connectivity was a problem but that there has been some improvement in this regard.

Broadband Infraco (BBI)

The Committee noted:

- i). that uncertainty might encourage a loss of 'best skills' in favour of for greener pastures;
- ii). with concern the high number of targets allocated to BBI which could lead to non-performance;
- iii). that the Eskom dispute has ongoing for too long;
- iv). and welcomed the newly signed agreement with Eskom to reconnect BBI electricity services; and
- v). that BBI has tried to find mechanisms to continue operations but has lost some clients as a result thereby impacting negatively on profitability.

USAASA/ USAF

The Committee noted:

- i). that USAASA's mandate sits with USAF, which is the Fund of the Entity;
- ii). that USAASA was winding down and noted with further concern that there were no clear timelines in this regard;
- iii). with understanding that USAASA dissolution is hindered by legislative requirements and therefore Department has decided to keep the Entity until such time the Legislative requirements are fulfilled;
- iv). however, that the capacitation of USAASA was important as the Entity has a mandate to fulfil its current legislative and service delivery obligations while the legislative and policy reforms are underway;
- v). with concern that USAASA did not achieve most of its targets; and
- vi). with further concern that the de-establishment of USAASA is having a demoralising and negative impact to workers.

SITA

The Committee noted:

- i). its appreciation for the presentation received;
- ii). with great concern the current state of affairs at SITA;
- iii). with further concern media reporting on SITA;
- iv). with great concern the dispute with the SITA Board;
- v). that the current Board has been fully appointed by Cabinet and that only 3 directors challenged the matter; and
- vi). that the Minister respects the view of the Committee on the court matter.

Sentech

The Committee noted:

- i). that loadshedding had an adverse impact on the performance of Sentech;
- ii). that Sentech loadshedding mitigating initiatives have been undertaken and will take time to be effective;
- iii). with great concern the regression by Sentech in achievement of its targets;
- iv). with concern that Sentech that the SABC debt affected Sentech's operations, although this was not clearly indicated in its presentation.
- v). that the satellite target of Sentech is still ongoing and would be completed next year with benefits to strengthen the self-reliance of Sentech;
- vi). that Sentech intends to strengthen its capabilities in future;
- vii). that the floods have not severely affected the performance of Sentech, except for one sight in Villiersdorp; and

- viii). that the way forward would be to ensure the operational diligence and sustainability of the Entity.

7. Committee Recommendations

The Department

The Committee recommends that the Minister should ensure that:

- i). processes are in place to hold non-performing Entities accountable for not achieving targets;
- ii). these Entities be held accountable as in some cases, 95 percent of targets have not been met;
- iii). timelines are in place for meeting targets by Entities;
- iv). the oversight branch of the Department is strengthened to ensure accountability when an Entity collapses;
- v). the Department provides detailed information of what has been achieved and its impact on service delivery;
- vi). there should be centrality of connectivity initiatives in order to allow communities to have access to online services;
- vii). skilling of citizens for ICT access and usage be amplified;
- viii). youth, women and SMMEs should mainstreamed through ICT's in economic activities;
- ix). efforts are in place to curb market concentrations and inequalities including affordability;
- x). processes are in place to resolve the loss to Entities in respect of loadshedding;
- xi). the Department quantifies the cost of loadshedding on the ability of the Department and Entities to provide services to South Africans;
- xii). the Department quantifies load shedding impact and report back to the Committee during 7th Parliament;
- xiii). processes are in place to assist and intervene, where necessary, in the matter between the SABC and Sentech;
- xiv). SABC is capacitated ahead of the National and Provincial Elections;
- xv). proper consequence management of individuals responsible for mismanagement of Entities is instituted;
- xvi). that Entities are also held accountable;
- xvii). Entities should evaluate the possible risk of lack of funding versus the prospects of the legislative amendments in planning processes;
- xviii). that updated information and progress towards achievement of targets is forwarded to the Committee in due course; and
- xix). the Department contributes substantively towards ending gender-based violence.

BBI

The Committee recommends that the Minister should ensure that:

- i). must create the necessary stability by appointing permanent staff to manage the Entity;
- ii). fibre links from Eskom and Transnet are returned to BBI;
- iii). that BBI reduces its planned targets; and
- iv). BBI endeavour to recover lost clients.

USAASA/USAF

The Committee recommends that the Minister should ensure that:

- i). that uncertainty surrounding the Entity be minimised;
- ii). The Entity delivers on set targets;
- iii). USAASA provides clear timelines as to the dissolution process;
- iv). USAASA be adequately capacitated to deliver on its mandate while the dissolution is in abeyance; and
- v). change management processes and engagements with staff are amplified to avoid unnecessary low staff morale.

SITA

The Committee recommends that:

- i). SITA improves its systems especially in the procurement division to enhance its service offerings to clients.

Sentech

The Committee recommends that the Minister should ensure that:

- i). Sentech improves on the achievement of its targets;
- ii). Sentech finds ways to circumvent load shedding; and
- iii). processes are in place to facilitate the operational ability and sustainability of the Entity.

The Committee will endeavour to influence programme scheduling so that the allocated time to evaluate APP's and other important information, is adequate for Members of Parliament.

Report to be considered.